

General Assembly Substitute Bill No. 1

February Session, 2012

____SB00001LAB___041912____

AN ACT CONCERNING JOBS AND THE ECONOMY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subsection (a) of section 32-7g of the 2012 supplement to
- 2 the general statutes is repealed and the following is substituted in lieu
- 3 thereof (*Effective from passage*):
- 4 (a) There is established within the Department of Economic and
- 5 Community Development the Small Business Express program. Said
- 6 program shall provide small businesses with various forms of financial
- 7 assistance, using a streamlined application process to expedite the
- 8 delivery of such assistance. A small business eligible for assistance
- 9 through said program shall, as of October 27, 2011, (1) employ, on at
- 10 least fifty per cent of its working days during the preceding twelve
- 11 months, not more than [fifty] one hundred employees, (2) be a
- 12 Connecticut-based business with operations in Connecticut, (3) have
- 13 been registered to conduct business in this state for not less than
- 14 twelve months, and (4) be in good standing with the payment of all
- state and local taxes and with all state agencies.
- Sec. 2. Section 31-3pp of the 2012 supplement to the general statutes
- 17 is repealed and the following is substituted in lieu thereof (Effective
- 18 from passage):
- 19 (a) For purposes of this section:

20 (1) "Department" means the Labor Department;

- (2) "Eligible small business" means a business that (A) employed not more than [fifty] one hundred full-time employees on at least fifty per cent of its working days during the preceding twelve months, (B) is a Connecticut-based business with operations in Connecticut, (C) has been registered to conduct business in this state for not less than twelve months, and (D) is in good standing with the payment of all state and local taxes; [. "Eligible small business" does not include a retailer, as defined in section 42-371;]
 - (3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);
 - (4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the eligible small business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, or (D) a member of the same controlled group as the eligible small business;
 - (5) "Eligible small manufacturer" means an eligible small business

- 52 described in sectors 31 to 33, inclusive, of the North American Industry
- 53 Classification System, that employed not more than [fifty] one
- 54 <u>hundred</u> employees on at least fifty per cent of its working days
- 55 during the preceding twelve months.

- (b) (1) There is established within the Labor Department a Subsidized Training and Employment program for eligible small businesses and eligible small manufacturers. Said program shall provide grants to such businesses and manufacturers to subsidize, for the first six months after a person is hired, a part of the cost of employment, including any costs related to training. No such business or manufacturer receiving a grant under this section with respect to a new employee or newly hired person may receive a second grant under this section with respect to the same new employee or newly hired person.
- (2) [The] At the discretion of the Labor Commissioner, the department may use up to four per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session, as amended by this act, for the purpose of retaining outside consultants [to administer] or the Workforce Investment Boards to operate the Subsidized Training and Employment program.
- (3) In fiscal year 2013, the department may use up to four per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session, as amended by this act, in said fiscal year for the purpose of the marketing and operation of the Subsidized Training and Employment program.
 - (c) (1) An eligible small business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee, where "new employee" means a person who (A) was unemployed immediately prior to employment, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) is a resident of a municipality that has (i) an unemployment rate that is equal to or higher than the state

unemployment rate as of September 1, 2011, or (ii) a population of eighty thousand or more, and (C) has a family income equal to or less than two hundred fifty per cent of the federal poverty level, adjusted for family size. "New employee" does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer, as defined in section 42-371.

- (2) Grants to eligible small businesses under the Subsidized Training and Employment program shall be in the following amounts:

 (A) For the first [full calendar month] thirty calendar days a new employee is employed, one hundred per cent of an amount representing the hourly wage of such new employee, exclusive of any benefits, but in no event shall such amount exceed twenty dollars per hour; (B) for the [second and third full calendar months] thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the [fourth and fifth full calendar months] ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the [sixth full calendar month] one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. Grants shall be cancelled as of the date the new employee leaves employment with the eligible small business.
- (d) (1) An eligible small manufacturer may apply to the department for a grant to be used to train and compensate persons newly hired by such manufacturer. Any training shall be provided by such manufacturer, and take place on such manufacturer's premises, but no existing formal training program shall be required. The [department] Labor Commissioner, or said commissioner's designee, shall review and approve such manufacturer's description of the proposed training as part of the application.
- (2) Grants awarded to an eligible small manufacturer pursuant to this subsection shall subsidize the costs of training and compensating each person newly hired by such manufacturer. In no event shall a

grant exceed the salary of the newly hired person. Maximum amounts of each grant are: For the first full calendar month a newly hired person is employed, up to two thousand five hundred dollars; for the second month, up to two thousand four hundred dollars; for the third month, up to two thousand two hundred dollars; for the fourth month, up to two thousand dollars; for the fifth month, up to one thousand eight hundred dollars; and for the sixth month, up to one thousand six hundred dollars. No grant shall exceed a total amount of twelve thousand five hundred dollars per newly hired person. A grant may be cancelled as of the date such person leaves employment with the eligible small manufacturer.

- (e) Not later than [June 30, 2012, and every six months] July 15, 2012, and annually thereafter, and January 15, 2013, and annually thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce and labor. Said report shall include available data, for the six-month period ending on the last day of the calendar month preceding such report, on (1) the number of small businesses that participated in the Subsidized Training and Employment program established pursuant to subsection (c) of this section, and the general categories of such businesses, (2) the number of small manufacturers that participated in the Subsidized Training and Employment program established pursuant to subsection (d) of this section, and the general categories of such manufacturers, (3) the number of individuals that received employment, and (4) the most recent estimate of the number of jobs created or maintained.
- (f) The Labor Commissioner may adopt regulations in accordance with the provisions of chapter 54 to carry out the provisions of this section.
- Sec. 3. Section 5 of public act 11-1 of the October special session is repealed and the following is substituted in lieu thereof (*Effective from* passage):

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- (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate twenty million dollars, provided ten million dollars of said authorization shall be effective July 1, 2012.
- (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Labor Department for the purpose of the Subsidized Training and Employment program established pursuant to section 4 of [this act] public act 11-1 of the October special session, provided (1) [five] ten million dollars of the amount stated in subsection (a) of this section shall be used in [each of] fiscal years 2012, [and] 2013 and 2014 for the small business program established pursuant to [subsection (c) of section 4 of this act] section 32-7g of the general statutes, as amended by this act, and (2) [five] ten million dollars of the amount stated in subsection (a) of this section shall be used in [each of] fiscal years 2012, [and] 2013 and 2014 for the small manufacturer program established pursuant to [subsection (d) of section 4 of this act] section 31-3pp of the general statutes, as amended by this act.
- (c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization which is signed by or on behalf of the Secretary of the Office of Policy and

- Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.
- 194 Sec. 4. (NEW) (*Effective from passage*) (a) For purposes of this section:
- 195 (1) "Department" means the Labor Department;
 - (2) "Eligible business" means a business that (A) is a Connecticut-based business with operations in Connecticut, (B) has been registered to conduct business in this state for not less than twelve months, and (C) is in good standing with the payment of all state and local taxes;
 - (3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);
 - (4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by an eligible business, (B) an individual, corporation, limited liability company,

- partnership, association or trust that is in control of an eligible business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of an eligible business, or (D) a member of the same controlled group as an eligible business;
 - (5) "New employee" means a person who (A) was unemployed prior to employment with an eligible business, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) was a member of the armed forces of any state or of any reserve component of the armed forces of the United States and was called to active service in the armed forces of any state or the United States in support of (i) Operation Enduring Freedom, or (ii) military operations that were authorized by the President of the United States that entail military action against Iraq, and (C) was honorably discharged after not less than ninety days of service in an area designated by the President of the United States by executive order as a combat zone, as indicated on a military discharge document, as defined in section 1-219 of the general statutes, unless separated from service earlier because of a service-connected disability rated by the Veterans' Administration. "New employee" does not include a person who was employed in this state by a related person of such eligible business during any of the twelve months prior to employment with the eligible business; and
- (6) "On-the-job training" means training provided by an eligible business on such business' premise.
 - (b) (1) There is established within the Labor Department an Unemployed Armed Forces Member Subsidized Training and Employment program for eligible businesses. Said program shall provide grants to eligible businesses to subsidize, for the first six months after a new employee is hired, part of the cost of on-the-job training and compensation for such new employee, in accordance with subsection (c) of this section. No business receiving a grant under this

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- section with respect to a new employee may receive a second grant under this section or a grant under section 31-3pp of the general statutes, as amended by this act, with respect to the same new employee.
- (2) At the discretion of the Labor Commissioner, the department may use up to four per cent of any funds allocated pursuant to section 5 of this act, for the purpose of retaining outside consultants or the Workforce Investment Boards to operate the Unemployed Armed Forces Member Subsidized Training and Employment program.
- 258 (3) In fiscal year 2013, the department may use up to four per cent of 259 any funds allocated pursuant to section 5 of this act in said fiscal year 260 for the purpose of the marketing and operation of the Unemployed 261 Armed Forces Member Subsidized Training and Employment 262 program.
 - (c) (1) An eligible business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee hired by such business. The Labor Commissioner, or said commissioner's designee, shall review and approve such business' description of the proposed on-the-job training as part of the grant application.
 - (2) A grant awarded to an eligible business pursuant to this subsection shall be in the following amount: (A) For the first thirty calendar days a new employee is employed, one hundred per cent of the wage of such new employee, exclusive of any benefits, not to exceed twenty dollars per hour; (B) for the thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. A grant shall be cancelled as of the date the new employee leaves employment with the eligible business.
- 280 (d) Not later than July 15, 2013, and annually thereafter, and January

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- 15, 2014, and annually thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce, veterans and labor. Said report shall include available data, for the six-month period ending on the last day of the calendar month preceding such report, on (1) the number of businesses that participated in the Unemployed Armed Forces Member Subsidized Training and Employment program established pursuant to subsection (b) of this section, and the general categories of such businesses, and (2) the number of individuals that received employment under said program.
 - (e) The Labor Commissioner may adopt regulations in accordance with the provisions of chapter 54 of the general statutes to carry out the provisions of this section.
 - Sec. 5. (NEW) (*Effective from passage*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate ten million dollars, provided five million dollars of said authorization shall be effective July 1, 2013.
 - (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Labor Department for the purposes of the Unemployed Armed Forces Member Subsidized Training and Employment program established pursuant to section 4 of this act.
 - (c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized

may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 6. (NEW) (Effective October 1, 2012) The Commissioner of Economic and Community Development shall establish and administer a program to promote the marketing of products produced in Connecticut for the purpose of encouraging the development of manufacturing and production in the state. The commissioner may, within available appropriations, provide a grant-in-aid to any person, firm, partnership or corporation engaged in the promotion and marketing of such products, provided the words "CONNECTICUT-MADE" or "CT-Made" are clearly incorporated in such promotional and marketing activities. The commissioner shall (1) provide for the design, plan and implementation of a multiyear, state-wide marketing and advertising campaign, including, but not limited to, television and radio advertisements, promoting the availability of, and advantages of (2)purchasing, Connecticut-made products, establish and continuously update a web site connected with such advertising campaign that includes, but is not limited to, a comprehensive listing

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of Connecticut manufacturers, Connecticut-made products and Connecticut retailers selling Connecticut-made products, (3) direct Connecticut manufacturers and producers of Connecticut-made products in need of assistance to the appropriate economic development entity or state agency, and (4) conduct efforts to promote and business relationships between Connecticut interaction manufacturers and producers of Connecticut-made products and retailers, marketers, chambers of commerce, regional tourism districts and other potential institutional purchasers of Connecticut-made products, including, but not limited to, (A) linking Connecticut manufacturers and producers of Connecticut-made products with potential purchasers through a separate feature of the web site established pursuant to this section, and (B) organizing state-wide or regional events promoting Connecticut manufacturers and producers of Connecticut-made products, where such manufacturers, producers and institutional purchasers are invited to participate. The commissioner shall use his or her best efforts to solicit cooperation and participation from Connecticut manufacturers, producers Connecticut-made products, retailers, marketers, chambers commerce and regional tourism districts in such advertising, Internetrelated and event planning efforts, including, but not limited to, soliciting private sector matching funds. The commissioner shall administer this program within available appropriations. On or before January 1, 2013, and annually thereafter, the commissioner shall report to the joint standing committee of the General Assembly having cognizance of matters relating to commerce on issues with respect to efforts undertaken pursuant to the requirements of this section, including, but not limited to, the amount of private matching funds received and expended by the department. The commissioner may adopt such regulations, in accordance with chapter 54 of the general statutes, as he or she deems necessary to carry out the purposes of this section.

Sec. 7. Subdivision (6) of subsection (a) of section 46a-60 of the 2012 supplement to the general statutes is repealed and the following is

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381 substituted in lieu thereof (*Effective October 1, 2012*):

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- (6) For any person, employer, employment agency or labor organization, except in the case of a bona fide occupational qualification or need, to advertise employment opportunities in such a manner as to restrict such employment so as to discriminate against [individuals] any individual because (A) of [their] such individual's race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability or physical disability, including, but not limited to, blindness, or (B) such individual is unemployed;
- 392 Sec. 8. (NEW) (Effective from passage) (a) The Commissioner of 393 Economic and Community Development, in consultation with the 394 Culture and Tourism Advisory Committee, shall develop a program to 395 designate locations in the state with cultural, educational or historical 396 significance as "Connecticut Treasures". Such program shall include a 397 plan to promote locations designated as Connecticut Treasures and 398 shall outline ways existing programs of the Department of Economic 399 and Community Development and Culture and Tourism Advisory 400 Committee may be used to promote such locations.
 - (b) Such locations shall be designated on or before October 1, 2012.
- 402 Sec. 9. (NEW) (Effective October 1, 2012) Not later than July 1, 2013, 403 the Department of Education, within available appropriations and in 404 consultation with the Department of Economic and Community 405 Development, shall develop a "Connecticut Treasures" curriculum for 406 use by local and regional boards of education. Such curriculum shall 407 be based on locations in the state designated as Connecticut Treasures 408 pursuant to section 8 of this act, and may incorporate students' visits to 409 such locations.
- Sec. 10. Subsection (a) of section 32-4*l* of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

- (a) (1) The Department of Economic and Community Development shall establish a first five plus program to encourage business expansion and job creation. As part of said program, the department may provide substantial financial assistance to up to ten eligible business development projects in the fiscal year ending June 30, 2012, and up to five eligible business development projects in the fiscal year ending June 30, 2013.
 - (2) A business development project eligible for financial assistance under the first five plus program shall commit, in the manner prescribed by the Commissioner of Economic and Community Development, to (A) create not less than two hundred new jobs within twenty-four months from the date such application is approved; or (B) invest not less than twenty-five million dollars and create not less than two hundred new jobs [within] not later than five years [from] after the date such application is approved.
- 428 (3) The Commissioner of Economic and Community Development 429 may give preference to a business development project that (A) 430 involves the relocation of an out-of-state or international manufacturer 431 or corporate headquarters, (B) involves the relocation of jobs that are 432 outside the United States to Connecticut, or [(B)] (C) is a 433 redevelopment if the commissioner believes such project 434 redevelopment project will create jobs sooner than the schedule set 435 forth in subdivision (2) of this subsection.
 - (4) The Commissioner of Economic and Community Development may, in awarding financial assistance to an eligible business development project, work with the Connecticut Development Authority and Connecticut Innovations, Incorporated, to secure financing for such project.
 - (5) The Commissioner of Economic and Community Development shall certify to the Governor for his or her approval that a business development project applicant has satisfied all the eligibility criteria in the program. Financial assistance awarded through the first five plus

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program shall be with the written consent of the Governor.

Sec. 11. Subsection (a) of section 32-235 of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one billion fifteen million three hundred thousand dollars, provided one hundred forty million dollars of said authorization shall be effective July 1, 2011, and twenty million dollars of said authorization shall be made available for small business development. Two hundred eighty million dollars of said authorization shall be effective July 1, 2012, and forty million dollars of said authorization shall be made available for small business development and twenty million dollars of said authorization shall be made available for businesses that commit to relocating one hundred or more jobs that are outside of the United States to the state. Any amount of said authorizations that are required to be made available for small business development or businesses that commit to relocating one hundred or more jobs that are outside of the United States to the state but are not exhausted for such purpose by the first day of the fiscal year subsequent to the fiscal year in which such amount was made available shall be used for the purposes described in subsection (b) of this section. For purposes of this subsection, a "small business" is one employing not more than fifty employees.

This act shall take effect as follows and shall amend the following sections:			
Section 1	from passage	32-7g(a)	
Sec. 2	from passage	31-3pp	
Sec. 3	from passage	PA 11-1 of the October Sp. Sess., Sec. 5	
Sec. 4	from passage	New section	
Sec. 5	from passage	New section	

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Sec. 6	October 1, 2012	New section
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Sec. 7	October 1, 2012	46a-60(a)(6)
Sec. 8	from passage	New section
Sec. 9	October 1, 2012	New section
Sec. 10	from passage	32-41(a)
Sec. 11	from passage	32-235(a)

CE Joint Favorable Subst. C/R ED

ED Joint Favorable Subst.-LCO

LAB Joint Favorable